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**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re:

MESA AIR GROUP, INC., *et al.*,

Debtors.<sup>1</sup>

Chapter 11

Case No. 10-10018 (MG)

(Jointly Administered)

**STIPULATION AND AGREEMENT REGARDING  
POST-EFFECTIVE DATE USE OF AIRFRAMES AND ENGINES**

This stipulation and agreement (the “Stipulation and Agreement”) is entered into by and between (a) each of (i) Mesa Air Group, Inc. and its affiliated debtors and debtors in possession in these chapter 11 cases (the “Debtors”) and (ii) upon the occurrence of the Effective Date, as such term is defined in the Third Amended Chapter 11 Plan of Mesa Air Group, Inc. and Affiliated Debtors Under Chapter 11 (the “Plan”),<sup>2</sup> the Reorganized Debtors (as such term is defined in the Plan and, collectively with the Debtors, the “Mesa Parties”), by and through their undersigned counsel, on the one hand, and (b) Bombardier Services Corporation and Bombardier Capital Inc. (collectively, “Bombardier”), by and through their

<sup>1</sup> The Debtors are: Mesa Air Group, Inc. (2351); Mesa Air New York, Inc. (3457); Mesa In-Flight, Inc. (9110); Freedom Airlines, Inc. (9364); Mesa Airlines, Inc. (4800); MPD, Inc. (7849); Ritz Hotel Management Corp. (7688); Regional Aircraft Services, Inc. (1911); Air Midwest, Inc. (6610); Mesa Air Group Airline Inventory Management, LLC (2015); Nilchii, Inc. (5531); and Patar, Inc. (1653).

<sup>2</sup> Capitalized terms not defined herein shall have the meanings used in the Plan.

undersigned counsel, on the other hand. Bombardier and the Mesa Parties are collectively referred to as the “Parties”.

#### RECITALS

A. On January 5, 2010 (the “Petition Date”), each of the Debtors commenced with this Court a voluntary case under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). The Debtors’ chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure. The Debtors are authorized to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

B. On November 23, 2010, the Bankruptcy Court approved the *Debtors’ Disclosure Statement to the Second Amended Joint Plan of Reorganization of Mesa Air Group, Inc. and Affiliated Debtors Under Chapter 11 of the Bankruptcy Code by Order dated November 23, 2010* [Docket No. 1243]. On January 19, 2011, the Debtors filed the Plan. On January 20, 2011, the Court entered the *Order Confirming Third Amended Chapter 11 Plan of Mesa Air Group, Inc. and Affiliated Debtors Under Chapter 11* [Docket No. 1448].

C. On March 5, 2010, the Debtors and certain aircraft financing parties (the “Financing Parties”) entered into various Stipulations and Agreements (the “Section 1110(b) Stipulations”) pursuant to Section 1110(b) of the Bankruptcy Code regarding the extension of the automatic stay with respect to certain CRJ-200 aircraft, among others, set forth by U.S. registration number on Exhibit A hereto (the “Section 1110(b) Aircraft”).

D. The underlying aircraft leases (collectively, the “Leases”) for the Section 1110(b) Aircraft have been rejected pursuant to various Notices of Intent to Reject Leases Relating to Certain Aircraft (the “Rejection Notices”) pursuant to the procedures set forth in

Order Granting Motion for (I) Authorization to (A) Reject Leases Relating to Certain Aircraft And Other Related Equipment, (B) Abandon Certain Aircraft, Engines, and Other Related Equipment, (C) Transfer Title to Certain Aircraft, Engines, and Other Related Equipment, and (D) Satisfy the Surrender and Return Requirements Under the Bankruptcy Code, and (II) Approval of Related Notices and Procedures [Docket No. 353] entered on February 23, 2010. The Rejection Notices and the 1110(b) Stipulations provided that the Debtors would continue to use and pay for the equipment following the effective date of the rejection of the Leases as permitted by the Section 1110(b) Stipulations.

E. On various dates in September 2010, among other things, the Financing Parties assigned all of the right, title and interest in the Section 1110(b) Stipulations to Bombardier with the consent of the Debtors.

F. The Effective Date of the Plan is scheduled to be March 1, 2010.

G. The Mesa Parties and Bombardier intend to enter into new leases ("New Leases") governing the post-Effective Date use of certain of the airframes and engines related to the 1110(b) Aircraft listed by manufacturer's serial number on Exhibit B (the "Equipment"). However, as of the Effective Date, the New Leases have not been executed and the Mesa Parties and Bombardier are finalizing the terms of the New Leases.

H. Through this Stipulation and Agreement, the Parties wish to confirm that notwithstanding the occurrence of the Effective Date of the Plan, the Debtors shall continue to use and pay for the Equipment in accordance with the terms and conditions of the Section 1110(b) Stipulations pending execution of the New Leases.

Therefore, it is hereby stipulated that:

1. Notwithstanding the occurrence of the Effective Date of the Plan or the stated rejection date for the Equipment, (a) the Section 1110(b) Stipulations shall remain in full

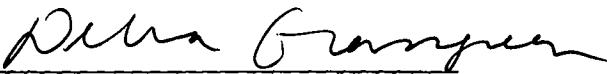
force and effect, (b) the Mesa Parties shall comply with the terms of such Section 1110(b) Stipulations (and, to the extent incorporated therein, the Leases relating to the Equipment), including, without limitation, the periodic usage payments to be paid to Bombardier for the use of the Equipment post-Effective Date as provided in such Section 1110(b) Stipulations and the return requirements and procedures for the Equipment as set forth therein), and (c) the Mesa Parties shall be entitled to use and pay for the Equipment in accordance with the terms and conditions of the Section 1110(b) Stipulations (and, to the extent incorporated therein, the Leases relating to the Equipment), pending execution of the New Leases; provided, however, that to the extent that the New Leases agreed upon between the Reorganized Debtors and Bombardier provide for terms and provisions that differ from the Section 1110(b) Stipulations, the terms and provisions of the New Leases shall control; provided further that to the extent that the Reorganized Debtors and Bombardier are unable to agree upon the terms or provisions of the New Leases, the Section 1110(b) Stipulations shall remain in effect and shall control, *inter alia*, the usage and return of the Equipment.

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2. The parties agree that the Bankruptcy Court shall have jurisdiction to resolve any dispute arising from the interpretation or enforcement of this Stipulation or the Section 1110(b) Stipulations.

Dated: February 28, 2011  
San Francisco, California

PACHULSKI STANG ZIEHL & JONES LLP

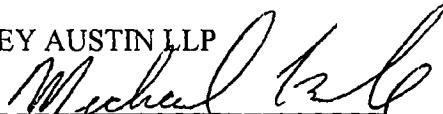
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Dated: February 28, 2011  
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Attorneys for Bombardier Service Corporation and Bombardier Capital Inc.

## **Exhibit A**

<b>CRJ 200 AIRCRAFT</b>	
U.S. Reg. No.	N77260
U.S. Reg. No.	N7264V
U.S. Reg. No.	N97325
U.S. Reg. No.	N17275
U.S. Reg. No.	N77302
U.S. Reg. No.	N7305V
U.S. Reg. No.	N17358
U.S. Reg. No.	N7291Z
U.S. Reg. No.	N37342
U.S. Reg. No.	N77286

## Exhibit B

AIRFRAMES	
Mfr. Serial No.	7305
Mfr. Serial No.	7358
Mfr. Serial No.	7291
Mfr. Serial No.	7302
Mfr. Serial No.	7260
Mfr. Serial No.	7264
Mfr. Serial No.	7325
ENGINES	
Mfr. Serial No.	872622
Mfr. Serial No.	872511
Mfr. Serial No.	872491